State of Iowa - Return on Investment Program / IT Project Evaluation

SECTION 1: PROPOSAL

Project Name: Professional Licensing   Date: 6/30/2000

Agency Point of Contact for Project: Ken Adrian

Agency Point of Contact Phone Number / E-mail: 1-7037 ken.Adrian@its.state.ia.us

Executive Sponsor (Agency Director or Designee) Signature: Richard Varn

Is this project necessary for compliance with a Federal standard, initiative, or statute? (If "Yes," cite specific requirement, attach copy of requirement, and explain in Proposal Summary)	❑ Yes	**X** No
Is this project required by State statute? (If "Yes," explain in Proposal Summary)	❑ Yes	**X** No
Does this project meet a health, safety or security requirement? (If "Yes," explain in Proposal Summary)	❑ Yes	**X** No
Is this project necessary for compliance with an enterprise technology standard? (If "Yes," explain in Proposal Summary)	❑ Yes	**X** No
Does this project contribute to meeting a strategic goal of government? (If "Yes," explain in Proposal Summary)	**X** Yes	❑ No
Is this a "research and development" project? (If "Yes," explain in Proposal Summary)	❑ Yes	**X** No

PROPOSAL SUMMARY:

In written detail, explain why the project is being undertaken and the results that are expected. This includes, but is not limited to, the following:

1. A pre-project (before implementation) and a post-project (after implementation) description of the system or process that will be impacted.

   Pre-Project:
   The systems that will be impacted are the professional licensing systems that are already in place across state government. Currently there are a variety of systems used for this functions and range from paper systems to access databases. Based upon the IBM assessment, we have found that one agency, the Board of Nursing, is using a product called IFMC to handle their licensing function. On top of this, they are contracting to have their licenses renewed on-line. On-line renewal already exists for the Department of Commerce Engineers licenses. All existing systems are expected to migrate in the future to a single system.

The need for a centralized system has two driving factors. First, the legislature in the 2000-2001 session passed HF2205 also known as the "E-Commerce Bill". This bill mandates that government agencies are to rely upon digital filings and signatures on, or before, July 1, 2003. The second driving factor is the mandated function of ITD to consolidate and standardize enterprise functions where applicable thereby leveraging investments, creating economies of scale, and increasing customer service.

Post-Project:
The resulting process will include an on-line component to license renewal where the back-end data repositories are integrated to enable enterprise wide data sharing where appropriate. The mail in system, will systematically be replaced with internet based renewals. This will save time in the processing and payment of license renewals. This project the state achieve its strategic goal of providing services to citizens when and where they want them.

Attached to this Proposal Summary are the IBM Assessment, SA Product Description and HF2205.

2. A summary of the extent to which the project provides tangible and intangible benefits to either Iowa citizens or to State government. Included would be such items as qualifying for additional matching funds, improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, complying with enterprise technology standards, meeting a strategic goal, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, complying with federal or state laws, etc.

Upon completion of the Professional Licensing project, ITD hopes to accomplish the following:

- Standardize professional licensing across the state
- Consolidate efforts in licensing across the enterprise
- Foster a collaborative environment across agencies in solving common problems and program requirements
- Create a uniform look and interface for professional licensing to the citizens of the State, to increase customer service and accessibility to state government
- Avoid the high costs and inefficiencies of having each state agency create their own system
- Decrease the cost of licensing by eliminating paper processes and helping agencies identify more efficient processes
- Ensure payment collection through credit card payments
- Fulfilling the legislative requirement for digital access to government

3. A summary that identifies the project stakeholders and how they are impacted by the project.

The following agencies will have initially been identified as possibly being impacted by the standardization of professional licensing as we move their systems to comply with the legislative requirements of HF 2205.

- Iowa Department of Agriculture and Land Stewardship

- o Dairy Products Control Bureau
- o Iowa Board of Veterinary Medicine
- o Pesticide Bureau
- Iowa Department of Commerce
  - o Agent Licensing Bureau/Iowa Insurance Division
  - o Engineering and Land Surveying Examining Board
  - o Iowa Accountancy Examing Board
  - o Iowa Architectural Examining Board
  - o Iowa Landscape Architectural Examining Board
  - o Securities Bureau/Insurance Division
- Iowa Department of Education
  - o State Board of Educational Examiners
- Iowa Department of Human Services
- Iowa Department of Inspection and Appeals
  - o Division of Health Facilities
- Iowa Department of Natural Resources
  - o Operator Certification
- Iowa Department of Public Health
  - o Board of Behavioral Science Examiners - Iowa Department of Public Health
  - o Board of Chiropractic Examiners
  - o Board of Cosmetology Arts & Sciences Examiners
  - o Board of Dietetic Examiners
  - o Board of Examiners for Athletic Training
  - o Board of Examiners for Nursing Home Administrators
  - o Board of Examiners of Hearing Aid Dealers
  - o Board of Massage Therapy Examiners - Iowa Department of Public Health
  - o Board of Mortuary Science Examiners
  - o Board of Optometry Examiners
  - o Board of Physical and Occupational Therapy Examiners
  - o Board of Physician Assistant Examiners
  - o Board of Podiatry Examiners
  - o Board of Psychology Examiners
  - o Board of Respiratory Care Examiners
  - o Board of Social Work Examiners
  - o Bureau of Emergency Medical Services
  - o Bureau of Radiological Health
  - o Iowa Board of Barber Examiners
  - o Iowa Board of Dental Examiners
  - o Iowa Board of Medical Examiners
  - o Iowa Board of Nursing
  - o Iowa Board of Pharmacy Examiners
  - o Iowa Real Estate Appraiser Examining Board
  - o Iowa Real Estate Commission
  - o Iowa State Board of Speech Pathology and Audiology Examiners
  - o Lead Poisoning Prevention Program
  - o Tattoo Permit Program
- Iowa Department of Public Safety
  - o Bail Enforcement Agency Licensing
  - o Private Investigative Agency Licensing
  - o Private Security Agency Licensing
- Iowa Department of Transportation
  - o Office of Driver Services
- Iowa Supreme Court
  - o Clerk of the Iowa Supreme Court
  - o Iowa Board of Examiners of Shorthand Reporters
- Iowa Workforce Development
  - o Chief Boiler Inspector, Labor Services Division
  - o Elevator Safety Section, Labor Services Division
  - o Labor Services Division

SECTION 2: PROJECT PLAN

Individual project plans will vary depending upon the size and complexity of the project. A project plan includes the following information:

1. Agency Information

Project Executive Sponsor Responsibilities: Identify, in Section I, the executive who is the sponsor of the project. The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

> Project Sponsor: Richard Varn
> Project Manager: Ken Adrian

Organization Skills: Identify the skills that are necessary for successful project implementation. Identify which of these skills are available within the agency and the source(s) and acquisition plan for the skills that are lacking.

> ITD has identified the skills internally that are necessary for a successful implementation. The following individuals will work closely with their staff and SA to ensure that all end-requirements are met.
>
> Project Manager: Ken Adrian
> > Responsible for the development of requirements and coordination of the individual implementation units. Responsible for ensuring delivery of product on schedule and within budget. Skills: Project Management, Requirements Documentation
>
> Application Development: Ron Strother
> > Responsible for overseeing SA in the design and implementation of individual licensing solutions. Responsible for providing training to in-house developers to enable ITD to successfully perform future licensing implementations without the need for an on-going relationship with SA. Responsible for implementing future versions and upgrades to the SA product. Skills: Project Management, JAVA Development, Web Development, Database Development and Management
>
> Infrastructure: Russ Rozinek
> > Responsible for acquiring and implementing necessary in-house infrastructure and support for the systems necessary to run SA's solution and all future upgrades and implementations. Skills: Hardware Procurement, Network Management
>
> Contract: Jim Day
> > Responsible for negotiating the contract with SA to ensure that all relationships meet State standards. Skills: Understanding of State Procurement Procedures

2. Project Information

Mission, Goals, Objectives: The project plan should clearly demonstrate that the project has developed from an idea to a detailed plan of action. The project plan must link the project to an agency's mission, goals, and objectives and define project objectives and how they will be reached. The project plan should include the following:

A. **Expectations**: A description of the purpose or reason that the effort is being undertaken and the results that are anticipated.

ITD has been identified as the entity to integrate and standardize e-commerce functions across the enterprise. One of the recommended directions of Iowa Access Project 10 which examined the State's potential areas for e-commerce is professional, business, and recreational licensing. Agencies have brought professional licensing to the forefront as they plan their own implementations.

The overall expectation of this project is to implement a professional licensing system that will handle the multiple requirements of the State's current licensing entities. IBM surveyed the professional licensing entities of the State and have identified SA as a vendor that can meet the overall requirements.

Expected Results:
- Increased User Satisfaction
- More efficient and defined processing procedures
- Decreased cost and time to the State and Licensee

B. **Measures**: A description of the set of beliefs, tradeoffs and philosophies that govern the results of the project and their attainment. How is the project to be judged or valued? What criteria will be used to determine if the project is successful? What happens if the project fails?

Within the professional licensing space the agencies will lose some individuality as ITD moves towards a standardized package. However, what the agencies lose in individuality, the citizens of the state will gain in consistency when performing licensing activities with the state. State agencies will also be able to migrate to the internet more rapidly under a standardized system which has a set methodology and ITD staff trained to assist in the transition.

The project will be judged by the following:
- Meeting of agency requirements
- Customer friendliness of licensing interfaces (i.e. customer satisfaction)
- Decreased cost of licensing activities from an agency and end-user perspective

The above will be determined by evaluations of the system to be completed by the agency and a random number of users throughout the implementation of the licensing product.

Cost savings to the tax payers of the State will be determined by building a model of current processing time and supply costs compared to those same costs after implementation. End-user savings will be determined by first calculating the estimated amount of time in hours to complete a current renewal or original application multiplied by the average state wage. Then the post-implementation number will be computed by estimating amount of time in hours to complete a renewal or original application multiplied by the average state wage. Both numbers will be multiplied by the number of users and the difference will be the savings.

Savings Calculation Example (educational purposes only):

Agency

Current:

Processing Time:	.25 hr
# of Licenses	1000
Time Spent	250 hrs.
Hourly State Wage	$12.25
Wage Expense	$3062.50
Plus Other Expenses	$250.00
Total Agency Cost	$3312.50

New:

Processing Time:	.1 hr	
# of Licenses	1000	
Time Spent	100 hrs.	
Hourly State Wage	$12.25	
Wage Expense	$1225.00	
Plus Other Expenses	$100.00	
Total Agency Cost		$1325.00
Agency Cost Savings		$1987.50

Citizen

Current:

Completion Time	1.5 hours
Average State Wage	$13.50
Cost	$20.25
Postage	$ .33
	$20.58
# of Licenses	1000
Total Taxpayer Expense	$20,580

New:

Completion Time	.5 hours
Average State Wage	$13.50
Cost	$ 6.75
Postage	$ .00
	$6.75
# of Licenses	1000
Total Taxpayer Expense	$6750
Total Taxpayer Savings	$13830
OVERALL SAVINGS	**$15817.50**

C. **Environment:** Who will provide input (e.g., businesses, other agencies, citizens) into the development of the solution? Are others creating similar or related projects? Are there cooperation opportunities?

> All participating agencies will provide input based upon their current business processes and their user interaction.

D. **Project Management and Risk Mitigation**: A description of how you plan to manage the project budget, project scope, vendors, contracts and business process change (if applicable). Describe how you plan to mitigate project risk.

Project will be managed in a manner consistent with the ITD project management standards manual.   Project risk will be handled through the same prescribed process.   For more information on these standards contact Dave Arringdale, ITS, Planning and Policy.

Project Budget:
The Project Budget will be set for each professional licensing project and monitored throughout the development process.

Vendors:
Any vendors will be responsible for weekly updates to the project manager, detailing their progress and any issues.

Business Process Changes:
Changes will be handled through a formal process detailed in the project management standards manual. Each change will be submitted and approved based upon changes to the timeline, budget and any effects on other processes.

Project Risk:
Risk will be mitigated as much as possible by the communication channels of the project. The project management will have several people which are constantly up-to-date on the project if for some reason the project leads would not be available.

E. **Security / Data Integrity / Data Accuracy / Information Privacy**: A description of the security requirements of the project? How will these requirements be integrated into the project and tested. What measures will be taken to insure data integrity, data accuracy and information privacy?

The information contained in the licensing projects are confidential. Any vendors on the project will be asked to sign a confidentiality agreement when they come in contact with data ofthat nature.

The production and test data will reside on servers/mainframes on the State's private network protected by the current firewalls. Access to this data will be restricted through the State's security officer.

Data accuracy will be ensured through frequent audits. All data will be backed up in case of a critical failure.

3.   Current Technology Environment (Describe the following):

A. Software (Client Side / Server Side / Midrange / Mainframe)

- Application software

The current state of application software used in professional licensing applications was identified through the IBM assessment of June 2000. The following software was identified as currently running the professional licensing systems of the agencies that responded:

- IFMC
- DataEase
- Other Custom Systems
- Paper Systems

- Operating system software

- OS390
- Win 95,98,2000

- Interfaces to other systems: Identify important or major interfaces to internal and external systems

  The current licensing systems currently interact with processes within the State that control printing of licenses and notices. The applications also have interaction with the State's financial system for processing and posting of payments.

B. **Hardware (Client Side / Server Side / Mid-range / Mainframe):**

- Platform, operating system, storage and physical environmental requirements.

  Most current professional applications run on IBM PC compatible computers utilizing a terminal program which interacts with a mainframe program on the backend.

- Connectivity and Bandwidth: If applicable, describe logical and physical connectivity.

  View campus map attached

- Interfaces to other systems: Identify important or major interfaces to internal and external systems.

  View campus map attached

4. Proposed Environment (Describe the following):

A. Software (Client Side / Server side / Mid-range / Mainframe)

- Application software.

  The proposed system uses SA's License 2000 for the in-house client processing of professional licensing applications and renewals.

  The proposed system uses SA's e-License for the internet processing of renewals.

- Operating system software.

  User Workstation:
  - Windows 95/98/NT

  Database Server
  - Windows NT Server

- Interfaces to other systems: Identify important or major interfaces to internal and external systems.

  The License 2000 product will have interfaces to the State's accounting system to process money transfers and audit transactions, and to CyberCash for the processing of credit card transactions.

- General parameters if specific parameters are unknown or to be determined.

See SA License 2000 product description attached

B. Hardware (Client Side / Server Side / Mid-range / Mainframe)

- Platform, operating system, storage and physical environmental requirements.

  User Workstations:
  - Windows 95/98/NT
  - 266 MHz Pentium II (or equiv.) CPU
  - 64 MB RAM
  - Network access
  - Microsoft Word 97 SR-1/2000
  - 150 MB available Hard Disk space
  - Color monitor

  License 2000 Database Server
  - Microsoft Windows NT Server
  - Two Intel Pentium II/III Processors (or equiv.) w/1MB cache
  - 1 or 2 GB RAM
  - 100 Mb network access
  - RAID-configured hard disk storage, 10,000 RPM seek speed (required space based on database size)
  - DAT/DLT tape backup, sized appropriately based on amount of hard disk storage
  - Tape Backup Software
  - Uninterruptible power supply (such as APC, Toshiba, ONEAC)

- Connectivity and Bandwidth: If applicable, describe logical and physical connectivity.

  The performance of the network significantly influences system performance. If a network is working near capacity before License 2000 is added, poor performance may result, regardless of workstation or server configurations. The use of a 100-Mb switched network at both the server and workstation level is recommended to reduce the potential performance degradation due to network bottlenecks.

- Interfaces to other systems: Identify important or major interfaces to internal and external systems.

  The License 2000 product will have interfaces to the State's accounting system to process money transfers and audit transactions, and to CyberCash for the processing of credit card transactions.

- General parameters if specific parameters are unknown or to be determined.

  See SA License 2000 product description

Data Elements: If the project creates a new database the project plan should include the specific software involved and a general description of the data elements.

  Databases will be designed based upon current licensing entity user requirements and processes.

IT Project Evaluation

Project Schedule: A schedule that includes: time lines, resources, tasks, checkpoints, deliverables and responsible parties.

A proposed project schedule is attached for implementation of the realtor licenses.

Project Timeline

Project Start Date: Mon 3/20/00
Project Finish Date: Fri 12/8/00

Tasks with Assignments

ID	Task Name	Work	Duration	Start	Finish	% Work Complete
1	**Iowa Real Estate License 2000 Implementation**	0 hrs	95 days	Mon 7/31/00	Fri 12/8/00	0%
2	**Project Startup and Workplan Development**	0 hrs	15 days	Mon 7/31/00	Fri 8/18/00	0%
3	Contract Signed	0 hrs	0 days	Mon 7/31/00	Mon 7/31/00	0%
4	Project Team Coordination and Workplan Development	0 hrs	15 days	Mon 7/31/00	Fri 8/18/00	0%
5	Workplan Delivered	0 hrs	0 days	Fri 8/18/00	Fri 8/18/00	0%
6	Work Plan Sign-off	0 hrs	0 days	Fri 8/18/00	Fri 8/18/00	0%
7	Payment Bill Date - Work Plan and License Fee	0 hrs	0 days	Fri 8/18/00	Fri 8/18/00	0%
8	**Installation and Setup**	0 hrs	20 days	Mon 8/21/00	Fri 9/15/00	0%
9	Install License 2000	0 hrs	1 day	Mon 8/21/00	Mon 8/21/00	0%
10	System Setup (License 2000 base implementation)	0 hrs	20 days	Mon 8/21/00	Fri 9/15/00	0%
11	System Setup Sign-off	0 hrs	0 days	Fri 9/15/00	Fri 9/15/00	0%
12	Payment Bill Date - System Setup Completed	0 hrs	0 days	Fri 9/15/00	Fri 9/15/00	0%
13	**Acceptance and Training**	0 hrs	45 days	Mon 9/18/00	Fri 11/17/00	0%
14	**Define Acceptance and Training Plans**	0 hrs	5 days	Mon 9/18/00	Fri 9/22/00	0%
15	Identify Test Data	0 hrs	5 days	Mon 9/18/00	Fri 9/22/00	0%
16	Acceptance Test and Training Plans Delivered	0 hrs	0 days	Fri 9/22/00	Fri 9/22/00	0%
17	Testing and Training Plan Sign-off	0 hrs	0 days	Fri 9/22/00	Fri 9/22/00	0%
18	Payment Bill Date - Testing and Training Plans	0 hrs	0 days	Fri 9/22/00	Fri 9/22/00	0%
19	**Acceptance Test Process**	0 hrs	25 days	Fri 9/22/00	Fri 10/27/00	0%
20	Selection ofIowa Acceptance Group - 12 people	0 hrs	0 days	Fri 9/22/00	Fri 9/22/00	0%
21	Train Acceptance Group	0 hrs	5 days	Mon 9/25/00	Fri 9/29/00	0%
22	Perform Acceptance Test	0 hrs	10 days	Mon 10/2/00	Fri 10/13/00	0%
23	Incorporate Discoveries of Acceptance Test	0 hrs	10 days	Mon 10/16/00	Fri 10/27/00	0%
24	Acceptance Test Sign-off	0 hrs	0 days	Fri 10/27/00	Fri 10/27/00	0%
25	Payment Bill Date - Acceptance Test Completion	0 hrs	0 days	Fri 10/27/00	Fri 10/27/00	0%
26	**Training**	0 hrs	20 days	Mon 10/23/00	Fri 11/17/00	0%
27	Setup Training Environment	0 hrs	5 days	Mon 10/23/00	Fri 10/27/00	0%
28	Train Users and Administrators	0 hrs	15 days	Mon 10/30/00	Fri 11/17/00	0%
29	User Training Sign-off	0 hrs	0 days	Fri 11/17/00	Fri 11/17/00	0%
30	Payment Bill Date - User Training	0 hrs	0 days	Fri 11/17/00	Fri 11/17/00	0%
31	**Data Conversion**	0 hrs	30 days	Fri 8/18/00	Fri 9/29/00	0%
32	Deliver Data Conversion File Format Template to MDE	0 hrs	0 days	Fri 8/18/00	Fri 8/18/00	0%
33	Create Flat File with Conversion Data	0 hrs	20 days	Mon 8/21/00	Fri 9/15/00	0%

34	Receive Conversion File from MDE	0 hrs	0 days	Fri 9/15/00	Fri 9/15/00	0%
35	Load Converted Data	0 hrs	5 days	Mon 9/18/00	Fri 9/22/00	0%
36	Test Loaded Data	0 hrs	5 days	Mon 9/25/00	Fri 9/29/00	0%
37	**System Rollout and Operations Support**	0 hrs	15 days	Mon 11/20/00	Fri 12/8/00	0%
38	Rollout System	0 hrs	5 days	Mon 11/20/00	Fri 11/24/00	0%
39	System Operational	0 hrs	0 days	Mon 11/27/00	Mon 11/27/00	0%
40	On-site Operations Support	0 hrs	10 days	Mon 11/27/00	Fri 12/8/00	0%
41	System Live Sign-off	0 hrs	0 days	Fri 12/8/00	Fri 12/8/00	0%
42	Payment Bill Date - System Operational	0 hrs	0 days	Fri 12/8/00	Fri 12/8/00	0%
43	**Other Items**	0 hrs	0 days	Fri 12/8/00	Fri 12/8/00	0%
44	eLicense Implementation	0 hrs	0 days	Fri 12/8/00	Fri 12/8/00	0%
45	Integrated Imaging Integration	0 hrs	0 days	Fri 12/8/00	Fri 12/8/00	0%

SECTION 3: Return On Investment (ROI) Financial Analysis

Project Budget:

Provide the estimated project cost by expense category.

```
Personnel............................... $   25,000
Software................................ $   65,000
Hardware............................... $ 250,000
Training ................................ $    10,000
Facilities ................................
Professional Services............ $ 600,000
Supplies ............................... $
Other (Specify)……..…………$ 50,000 licensing
            Total.................. $ 1,000,000
```

Project Funding:

Provide the estimated project cost by funding source.

State Funds............................ $ 1,000,000	......	**100**	% of total cost
Federal Funds........................ $_____	........._____		% of total cost
Local Gov. Funds................... $_____	........._____		% of total cost
Private Funds......................... $_____	........._____		% of total cost
Other Funds (Specify)............ $_____	........._____		% of total cost
Total Cost: .... $ 1,000,000	....	**100**	% of total cost

How much of the cost would be incurred by your agency
from normal operating budgets (staff, equipment, etc.)?   .... $_____0   ___0 %

How much of the cost would be paid by "requested IT project funding"? .. $ 1,000,000   100   %

Provide the estimated project cost by fiscal year: FY 00-01 $ 1,000,000

FY 01-02 $

FY 02-03 $

Note: Additional funding will be needed in FY02 and FY03 in order to build a viable and centralized professional licensing system for Iowa State government. The cost for each of these years is expected to be $800,000. We anticipate annual maintenance costs to be $250,000.

ROI Financial Worksheet Directions (Attach Written Detail as Requested):

Annual Pre-Project Cost -- Quantify, in written detail, all actual State government direct and indirect costs (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

Annual Post-Project Cost -- Quantify, in written detail, all estimated State government direct and indirect costs associated with activity, system or process after project implementation. This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

State Government Benefit -- Subtract the total "Annual Post-Project Cost" from the total "Annual Pre-Project Cost." This section should be completed only if State government costs are expected to be reduced as a result of project implementation.

Citizen Benefit -- Quantify, in written detail, the estimated annual value of the project to Iowa citizens**.** This includes the "hard cost" value of avoiding expenses (hidden taxes) related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses.

Opportunity Value/Risk or Loss Avoidance Benefit -- Quantify, in written detail, the estimated annual benefit to Iowa citizens or to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Total Annual Project Benefit -- Add the values of all annual benefit categories.

Total Annual Project Cost -- Quantify, in written detail, the estimated annual new cost necessary to implement and maintain the project including consulting fees, equipment retirement, ongoing expenses (i.e. labor, etc.), other technology (hardware, software and development), and any other specifically identifiable project related expense. In general, to calculate the annual hardware cost, divide the hardware and associated costs by three (3), the useful life. In general, to calculate the annual software cost, divide the software and associated costs by four (4), the useful life. This may require assigning consulting fees to hardware cost or to software cost. A different useful life may be used if it can be documented.

Benefit / Cost Ratio – Divide the "Total Annual Project Benefit" by the "Total Annual Project Cost." If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

ROI -- Subtract the "Total Annual Project Cost" from the "Total Annual Project Benefit" and divide by the amount of the project funds requested.

Benefits Not Cost Related or Quantifiable -- List the project benefits and articulate, in written detail, why they (IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.) are not cost related or quantifiable. Rate the importance of these benefits on a "1 – 10" basis,

with "10" being of highest importance. Check the "Benefits Not Cost Related or Quantifiable" box in the applicable row.

ROI Financial Worksheet

IT Project Evaluation

Annual Pre-Project Cost - How You Perform The Function(s) Now

FTE Cost (salary plus benefits):	
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	
A. Total Annual Pre-Project Cost:	

Annual Post-Project Cost – How You Propose to Perform the Function(s)

FTE Cost:	
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	
B. Total Annual Post-Project Cost:	
State Government Benefit (= A-B):	

Annual Benefit Summary

State Government Benefit:	
Citizen Benefit (including quantifiable "hidden taxes"):	
Opportunity Value and Risk/Loss Avoidance Benefit:	
C. Total Annual Project Benefit:	
D. Total Annual Project Cost:	
Benefit / Cost Ratio (C / D):	———
ROI (C – D / Project Funds Requested):	_____%

X * Benefits Not Cost Related or Quantifiable (including non-quantifiable "hidden taxes")

Benefits Rating:

The professional licensing initiative will involve multiple agencies and ROI savings and benefits will be determined on a project by project basis. In order to participate in the system, each agency will be required to complete the ROI Financial Worksheet above. Once those are completed for those agencies, estimates of pooled cost savings and return on investment can be made.

Savings for professional licensing will come in the following forms:
(rated 1-10)
State:
    Staff processing time (10)
- Opening envelopes
- Data entry
- Customer service calls

    Supplies (7)
    Collecting exact verified payments via credit card (8)
    Customer service (9)

Licensee:
    Application time (9)
    Customer Service (10)